

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
NATURAL ENERGY UTILITY CORPORATION) 2015-00171

ORDER

On May 20, 2002, Natural Energy Utility Corporation (“Natural Energy”) adopted the tariffs, including a Purchased Gas Cost Adjustment Clause,¹ for furnishing gas service to the customers previously served by American Natural Gas Corporation.

On May 28, 2015, Natural Energy filed its Gas Cost Recovery (“GCR”) rate application to become effective July 1, 2015. On June 10, 2015, Natural Energy provided responses to Commission Staff’s Request for Information concerning its proposed GCR rate.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Natural Energy’s notice includes a revised rate designed to pass on to its customers its expected change in wholesale gas costs.

2. Natural Energy’s notice sets out an Expected Gas Cost (“EGC”) of \$3.8042 per Mcf. Natural Energy miscalculated its EGC by using incorrect purchase volumes. On Schedule II of its application, Natural Energy’s purchases for the 12 months ended March 30, 2015, do not match the sum of the monthly purchases provided in Schedule IV of this application, and Natural Energy’s three previous

¹ Natural Energy Utility Corporation Tariff, PSC Ky. No. 1, First Revised Sheet No. 17 (effective Apr. 15, 2006).

applications. Correcting this produces purchase volumes of 119,675 Mcf instead of 118,500 Mcf. Natural Energy's corrected EGC is \$3.8419, which is a decrease of \$.9926 per Mcf from the previous EGC of \$4.8345 per Mcf.

3. Natural Energy's notice sets out no current quarter or total supplier Refund Adjustment.

4. Natural Energy's notice sets out a current quarter Actual Cost Adjustment ("ACA") of (\$.5282) per Mcf. Natural Energy's total ACA is (\$.5560) per Mcf, which is a decrease of \$1.0471 per Mcf from the previous total ACA of \$.4911 per Mcf.

5. Natural Energy's corrected GCR rate is \$3.2859 per Mcf, which is a decrease of \$2.0397 per Mcf from the previous GCR rate of \$5.3256 per Mcf.

6. The rate set forth in the Appendix to this Order is fair, just, and reasonable and should be approved for service rendered by Natural Energy on and after July 1, 2015.

7. Natural Energy's tariff requires it to submit its quarterly GCR rate applications at least 30 days prior to the beginning of each calendar quarter. To remain in compliance with its tariff, Natural Energy should continue to file all future GCR rate applications at least 30 days before the beginning of each calendar quarter.²

IT IS THEREFORE ORDERED that:

1. The rate proposed by Natural Energy is denied.

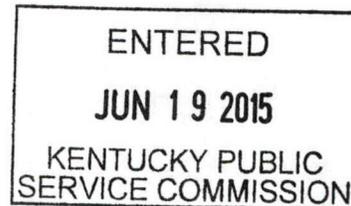
² Natural Energy failed to submit its GCR rate application with at least 30 days' notice in the following cases: Case No. 2014-00428, *Purchased Gas Adjustment Filing of Natural Energy Utility Corporation* (Ky. PSC Dec. 22, 2014); Case No. 2014-00320, *Purchased Gas Adjustment Filing of Natural Energy Utility Corporation* (Ky. PSC Sept. 29, 2014); Case No. 2014-00185, *Purchased Gas Adjustment Filing of Natural Energy Utility Corporation* (Ky. PSC June 27, 2014); and Case No. 2014-00095, *Purchased Gas Adjustment Filing of Natural Energy Utility Corporation* (Ky. PSC Mar. 28, 2014).

2. The rate set forth in the Appendix to this Order is approved for service rendered on and after July 1, 2015.

3. Natural Energy shall timely file its GCA rate application for rates effective October 1, 2015, on or before September 1, 2015.

4. Within 20 days of the date of this Order, Natural Energy shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00171 DATED **JUN 19 2015**

The following rates and charges are prescribed for the customers in the area served by Natural Energy Utility Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

<u>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
All Mcf	\$4.24	\$3.2859	\$7.5259

Minimum Bill

The minimum bill shall be \$7.5259.

*Natural Energy Utility Corporation
2560 Hoods Creek Pike
Ashland, KY 41102